

HOUSE BILL 1326  
By Fitzhugh

AN ACT to amend Tennessee Code Annotated, Title 67,  
relative to certain lottery or gambling winnings.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, is amended by adding  
the following language as a new part 29:

§ 67-4-2901.

A tax in the amount of six percent (6%) shall be levied and collected on lottery or  
gambling winnings or prizes received by, accrued or credited to any person, partnership,  
association, trust or corporation in the state.

§ 67-4-2902.

(a) The entity administering the Tennessee state lottery shall provide to the  
commissioner the same information furnished to the federal Internal Revenue Service on  
form W-2G relative to winnings of over six hundred dollars (\$600) from a lottery.

(b)

(1) The entity administering the Tennessee state lottery shall also  
withhold and remit to the commissioner six percent (6%) of lottery winnings over  
two thousand five hundred dollars (\$2,500) at the same time federal tax  
withholding under Form W-2G is done.

(2) If the winner indicates to the administering entity whether the winner's  
filing status is single or joint and the winner's age is over sixty-five (65) years of  
age, the administrator shall adjust the withholding as follows: Any person sixty-  
five (65) years of age or older having a total annual income derived from any and  
all sources of sixteen thousand two hundred dollars (\$16,200) or less, or any

persons who file a joint return and either spouse is sixty-five (65) years of age or older having a total annual joint income derived from any and all sources of not more than twenty seven thousand dollars (\$27,000), are exempt from the privilege tax imposed by this chapter. The commissioner shall furnish to the administrator necessary forms or tables to facilitate calculating and remitting the amount to be withheld.

SECTION 2. This act shall take effect July 1, 2005, the public welfare requiring it.